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CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1779

Introduced by Assembly Member Galgiani
(Coauthors: Assembly Members Dickinson, Olsen, and Perea)
(Coauthors: Senators Cannella, Padilla, and Wolk)

February 21, 2012

An act to amend Sections 14031.8, 14070.2, and 14070.6 of, and to repeal and add Article 5.4 (commencing with Section 14074) of Chapter 1 of Part 5 of Division 3 of Title 2 of, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1779, as amended, Galgiani. Intercity rail agreements.

Existing law authorizes the Department of Transportation to contract with Amtrak for intercity rail passenger services and provides funding for these services from the Public Transportation Account. Existing law, until December 31, 1996, authorized the department, subject to approval of the Secretary of Business, Transportation and Housing, to

enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering the state-funded intercity rail service in a particular corridor. Existing law, with respect to a transferred corridor, requires the board to demonstrate the ability to meet performance standards established by the secretary.

This bill would authorize the department, with the approval of the secretary, to enter into an additional interagency transfer agreement with respect to the San Joaquin Corridor, as defined, if a joint powers authority and governing board are created and organized. In that regard, the bill would provide for the creation of the San Joaquin Corridor Joint Powers Authority, to be governed by a board of not more than 11 members. The bill would provide that the board shall be organized when at least 6 of the 11 agencies elect to appoint members. The bill would provide for the authority to be created when the member agencies enter into a joint powers agreement, as specified. The bill would provide for future appointments of additional members if the service boundaries of the San Joaquin Corridor are expanded.

Existing law provides for the allocation of state funds by the secretary to a joint powers board under an interagency transfer agreement based on the annual business plan for the intercity rail corridor and subsequent appropriation of state funds.

This bill, with respect to the San Joaquin Corridor, would provide that local resources shall not be available to offset any redirection, elimination, reduction, or reclassification of state resources for operating intercity rail services.

This bill would permit the secretary to authorize the department to enter into an interagency agreement to transfer responsibility for administration or operations of the intercity rail service on a particular corridor to a joint powers agency if the secretary determines that such a transfer would result in cost reductions.

This bill would authorize the secretary to adopt new performance standards by December 31, 2014, for intercity rail services *relative to the San Joaquin Corridor. The bill would require the San Joaquin Joint Powers Authority to protect existing services and facilities and seek to expand service, as specified.* The bill would *prohibit the termination of feeder bus services for passengers utilizing state-supported passenger rail on the San Joaquin Corridor unless specified cost-effectiveness standards are not met, and would make other related changes.*

Existing law authorizes the department and any entity that assumes administrative responsibility for passenger rail services through an

interagency transfer agreement to contract with specified entities for the use of tracks and other facilities and for the provision of passenger rail services.

This bill would require a contractor under an agreement described above to agree that its labor relations shall be governed by a specified federal act relating to labor relations on railroads.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known and may be cited as the
2 Intercity Passenger Rail Act of 2012 for the San Joaquin Corridor.
- 3 SEC. 2. (a) The Legislature finds and declares all of the
4 following:
- 5 (1) An intercity rail passenger system, linking major urban
6 centers and complemented by feeder bus services that provide
7 access to outlying areas and destinations, is an important element
8 of the state's transportation system, and shall remain a state-funded
9 program.
- 10 (2) The state has a continuing interest in the provision of
11 cost-effective intercity rail passenger services and has a
12 responsibility to coordinate intercity rail passenger services
13 statewide.
- 14 (3) Since 1976, the state has invested over one billion eight
15 hundred million dollars (\$1,800,000,000) in capital improvements
16 and operating support for intercity rail passenger service and must
17 ensure the protection of that investment.
- 18 (4) Intercity rail service and ridership increases will result in
19 more jobs, improve air quality, and help promote sustainable
20 development.
- 21 (b) The Legislature, through the enactment of this act, intends
22 all of the following:
- 23 (1) The Secretary of Business, Transportation and Housing shall
24 be responsible for the overall planning, coordination, and budgeting
25 of the intercity passenger rail service.
- 26 (2) Any intercity rail corridor for which administrative
27 responsibility has been transferred to a joint powers board through
28 an interagency transfer agreement shall remain as a component of
29 the statewide system of intercity rail corridors.

1 (3) The public interest requires expansion of the state intercity
2 rail program in order to keep pace with the needs of an expanding
3 population.

4 (4) For not less than a three-year period, the level of state
5 funding for intercity rail service in each corridor should be
6 maintained at a level equal to at least the current level of service
7 in the corridor, thus providing fiscal stability that will allow
8 appropriate planning and operation of these services.

9 SEC. 3. Section 14031.8 of the Government Code is amended
10 to read:

11 14031.8. (a) The Secretary of Business, Transportation and
12 Housing shall establish, through an annual budget process, the
13 level of state funding available for the operation of intercity
14 passenger rail service in each corridor.

15 (b) Where applicable, operating funds shall be allocated by the
16 secretary to the joint powers board in accordance with an
17 interagency transfer agreement that includes mutually agreed-upon
18 rail services. Funds for the administration and marketing of
19 services, as appropriate, shall also be transferred by the secretary
20 to the joint powers board, subject to the terms of the interagency
21 transfer agreement.

22 (c) The joint powers board or local or regional entities may, but
23 shall not be required to, augment state-provided resources to
24 expand intercity passenger rail services, or to address funding
25 shortfalls in achieving agreed-upon performance standards. The
26 joint powers board or local or regional agencies with regard to the
27 San Joaquin Corridor may identify and secure new supplemental
28 sources of funding for the purpose of expanding or maintaining
29 intercity rail passenger service levels, which may include state and
30 federal intercity rail resources.

31 (d) The department may provide any support services as may
32 be mutually agreed upon by the joint powers board and the
33 department.

34 (e) Operating costs shall be controlled by dealing with, at a
35 minimum, the current Amtrak cost allocation formula, which,
36 beginning in federal fiscal year 2013–14, will be subject to Section
37 209 of the federal Passenger Rail Investment and Improvement
38 Act, and the ability to contract out to Amtrak or other rail operators
39 as a part of federal legislation dealing with Amtrak reauthorization.

1 (f) (1) Not later than December 31, 1997, the secretary shall
2 establish a set of uniform performance standards for all corridors
3 and operators to control cost and improve efficiency. ~~To~~

4 (2) *To the extent necessary, as determined by the secretary,*
5 *performance standards may be modified not later than December*
6 *31, 2014, relative to including the San Joaquin Corridor among*
7 *the corridors subject to an interagency transfer agreement.*

8 (3) *Feeder bus services that provide connections for intercity*
9 *rail passengers for the state-supported San Joaquin passenger rail*
10 *service shall not be terminated unless the bus services fail to meet*
11 *the cost-effectiveness standard described in paragraph (3) of*
12 *subdivision (a) of Section 14035.2.*

13 (g) Notwithstanding any other provision of this section, with
14 regard to the San Joaquin Corridor, local resources described in
15 subdivision (c) shall not be available for expenditure to offset any
16 redirection, elimination, reduction, or reclassification of state
17 resources for operating intercity rail services.

18 SEC. 4. Section 14070.2 of the Government Code is amended
19 to read:

20 14070.2. (a) If the secretary determines that transferring
21 responsibility for intercity rail service in a particular corridor or
22 corridors to a statutorily created joint powers agency would result
23 in administrative or operating cost reductions, the secretary may
24 authorize the department, through an interagency transfer
25 agreement, to transfer to a joint powers board, and the board may
26 assume, all responsibility for administering intercity passenger rail
27 service in the corridor. Upon the date specified in the agreement,
28 the board shall succeed to the department's powers and duties
29 relative to that service, except that the department shall retain
30 responsibility for developing budget requests for the service
31 through the state budget process, which shall be developed in
32 consultation with the board, and for coordinating service in the
33 corridor with other intercity passenger rail services in the state.

34 (b) (1) Except as otherwise provided in paragraph (2), the
35 interagency transfer agreement shall be executed on or before
36 December 31, 1996.

37 (2) With respect to the San Joaquin Corridor, if authorized by
38 the secretary pursuant to subdivision (a), the interagency transfer
39 agreement shall be executed on or before December 31, 2013.

1 (c) The secretary shall require the board to demonstrate the
2 ability to meet the performance standards established by the
3 secretary pursuant to subdivision (f) of Section 14031.8.

4 (d) ~~It is the intent of the Legislature that the~~ The San Joaquin
5 Joint Powers Authority *shall* protect existing services and facilities
6 and seek to expand service as warranted by ridership and available
7 revenue.

8 SEC. 5. Section 14070.6 of the Government Code is amended
9 to read:

10 14070.6. The department and any entity that assumes
11 administrative responsibility for intercity passenger rail services
12 through an interagency transfer agreement, may, through a
13 competitive solicitation process, contract with the National Railroad
14 Passenger Corporation (Amtrak) or with organizations not
15 precluded by state or federal law to provide intercity passenger
16 rail services, and may contract with rail corporations and other rail
17 operators for the use of tracks and other facilities and for the
18 provision of intercity passenger services on terms and conditions
19 as the parties may agree. The department is deemed to be a
20 third-party beneficiary of the contract, and the contract shall not
21 contain any provision or condition that would negatively impact
22 on or conflict with any other contracts the department has regarding
23 intercity passenger rail services. Any entity that succeeds the
24 department as sponsor of state-supported intercity passenger rail
25 services through an interagency transfer agreement is deemed an
26 agency of the state for all purposes related to intercity passenger
27 rail services, including Section 5311 of Title 49 of the United
28 States Code. If the intercity passenger rail service is operated by
29 a contractor, the contractor shall, as a condition of entering into
30 an operating agreement with the entity, agree that its labor relations
31 shall be governed by the federal Railway Labor Act (45 U.S.C.
32 Sec. 151 et seq.).

33 SEC. 6. Article 5.4 (commencing with Section 14074) of
34 Chapter 1 of Part 5 of Division 3 of Title 2 of the Government
35 Code is repealed.

36 SEC. 7. Article 5.4 (commencing with Section 14074) is added
37 to Chapter 1 of Part 5 of Division 3 of Title 2 of the Government
38 Code, to read:

Article 5.4. San Joaquin Corridor

14074. As used in this article, the following terms have the following meanings:

(a) “Authority” or “San Joaquin Joint Powers Authority” means a joint exercise of powers agency formed under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 for purposes of assuming administrative responsibility for the San Joaquin Corridor under an interagency transfer agreement pursuant to Article 5 (commencing with Section 14070).

(b) “Board” means the governing board of the San Joaquin Joint Powers Authority established under Section 14074.2.

(c) “San Joaquin Corridor” or “corridor” means the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland intercity passenger rail corridor.

14074.2. (a) There shall be created the San Joaquin Joint Powers Authority Board, subject to being organized pursuant to the provisions of this article. Except as otherwise provided in subdivisions (b) and (c), the board shall be composed of not more than 11 members, as follows:

(1) One member of the board of directors of the Sacramento Regional Transit District, appointed by that board.

(2) One member of the board of directors of the San Joaquin Regional Rail Commission, appointed by that board, who shall be a resident of San Joaquin County.

(3) One member of the board of directors of the Stanislaus Council of Governments, appointed by that board.

(4) One member of the board of directors of the Merced County Association of Governments, appointed by that board.

(5) One member of the board of directors of the Madera County Transportation Commission, appointed by that board.

(6) One member of the board of directors of the Fresno Council of Governments, appointed by that board.

(7) One member of the board of directors of the Kings County Association of Governments, appointed by that board.

(8) One member of the board of directors of the Tulare County Association of Governments, appointed by that board.

(9) One member of the board of directors of the Kern Council of Governments, appointed by that board.

1 (10) One member of the board of directors of a regional
2 transportation agency or rail transit operator that serves Contra
3 Costa County, appointed by _____, who shall be a resident of the
4 county.

5 (11) One member of a regional transportation agency or rail
6 transit operator that serves Alameda County, appointed by the
7 Board of Supervisors, who shall be a resident of the county.

8 (b) The board shall be organized when at least six of the agencies
9 described in paragraphs (1) to (11), inclusive, of subdivision (a)
10 elect to appoint a member to serve on the board prior to December
11 31, 2013. Once organized, those agencies described in paragraphs
12 (1) to (11), inclusive, of subdivision (a) that have not yet appointed
13 members to serve on the board may elect to appoint a member to
14 serve and be represented on the board at any time thereafter.

15 (c) If the rail service boundaries of the San Joaquin Corridor
16 are extended, an additional member from each additional county
17 receiving rail service may be added to the board pursuant to Section
18 14074.6.

19 14074.4. The authority shall be created only if the agencies
20 that would be represented on the board enter into a joint exercise
21 of powers agreement to form the authority.

22 14074.6. The board shall make its decisions in accordance with
23 the votes of its members, with a majority vote required for all
24 matters with the exception of the approval of the business plan,
25 revisions to that plan, and the addition of new members pursuant
26 to subdivision (c) of Section 14074.2, which shall require a
27 two-thirds vote of the members.

28 14074.8. The Steering Committee of the Caltrans Rail Task
29 Force shall remain in existence. If a joint powers authority is
30 formed pursuant to this article and an interagency transfer
31 agreement is executed pursuant to subdivision (b) of Section
32 14070.2, the Steering Committee of the Caltrans Rail Task Force
33 shall become the Steering Committee of the San Joaquin Joint
34 Powers Authority for the purpose of advising the joint powers
35 board.